

Financial Results for the 3rd Quarter FY2022

Explanatory material

February 3, 2023

3rd Quarter: April - December

FY2022 3rd Quarter Consolidated Result

Scope of Consolidation

Item	End of FY2021 (A)	End of FY2022 3Q (B)	Difference (B) - (A)	Notes
Number of consolidated subsidiaries	65	36	(29)	<ul style="list-style-type: none"> + API Corporation - Meiwa Plastic Industries, Ltd. - UBE Advanced Materials INC. - R-Koma, Ltd. - UBE Construction Materials Sales Co., Ltd. - UBE Construction Materials Co., Ltd. - Ube Industries Cement Service Co., Ltd. - Ube Material Industries, Ltd. - Ozawa Corporation - Kanto Ube Concrete Co., Ltd. - Kanto Ready-mixed Concrete Transportation Co., Ltd. - Sanyo Ube Co., Ltd. - Daikyo Kigyo Co., Ltd. - Nishiharima Ube Co., Ltd. - Hagimori Logistics, Ltd. - Fuji Ube Concrete Co., Ltd. - Hokkaido Ube Transportation Co., Ltd.
Number of equity method affiliates	26	15	(11)	<ul style="list-style-type: none"> - Ube-Mitsubishi Cement Corporation - Kano Ube Concrete Co., Ltd. - KUSHIRO UBE Co., Ltd. - Bekkai Ube Concrete Co., Ltd. - Yamayo Trading Co., Ltd. - Chiba Riverment and Cement Corporation
Total	91	51	(40)	<ul style="list-style-type: none"> + MAPIC Europe NV - Ube Reality & Development Co., Ltd. - Advanced Electrolyte Technologies LLC - Ichinoseki Remicon Co., Ltd. - UBE SHIPPING & LOGISTICS, LTD. - Ube Industries Consulting, Ltd. - Ube Sand Co., Ltd. - Oita Ube Co., Ltd. - Kansai Ube Co., Ltd. - Kanto Ube Holdings Co., Ltd. - Sanshin Tsusho Co., Ltd. - Shinko Transportation & Warehouse Co., Ltd. - Chiba Ube Concrete Co., Ltd. - Hagimori Industries, Ltd. - Hiraizumi Co., Ltd. - Hokkaido Ube Co., Ltd.

Environmental Factors

Item		FY2021 3Q (A)	FY2022 3Q (B)	Difference (B) - (A)		
Exchange Rate	Yen/\$	111.1	136.5	25.4		
Material Price	Naphtha	CIF	\$/ t	674	830	156
		Domestic	Yen/KL	54,000	79,900	25,900
	Benzene (ACP)	\$/ t	977	1,073	96	
	Australian Coal (CIF)	\$/ t	156.5	407.5	251.0	
		Yen/t	17,387	55,628	38,241	

Major P/L Items

(Billions of yen)

Item	FY2021 3Q (A)	FY2022 3Q (B)	Difference (B) - (A)	Percentage change
Net sales	476.6	368.4	(108.2)	(22.7)%
Operating profit	32.8	13.0	(19.9)	(60.5)%
Ordinary profit (loss)	30.6	(3.3)	(33.9)	—
Profit (loss) attributable to owners of parent	18.1	(1.2)	(19.3)	—

Net Sales and Operating Profit by Segment

(Billions of yen)

	Segment*	FY2021 3Q (A)	FY2022 3Q (B)	Difference (B) - (A)	Percentage change
Net sales	Specialty Products	44.9	47.4	2.6	5.7%
	Polymers & Chemicals	190.4	225.2	34.8	18.3%
	Machinery	70.8	69.3	(1.5)	(2.1)%
	Others	37.7	50.6	12.9	34.2%
	Adjustment	132.9	(24.1)	(157.0)	—
	Total	476.6	368.4	(108.2)	(22.7)%
Operating profit	Specialty Products	8.8	8.5	(0.3)	(3.0)%
	Polymers & Chemicals	17.8	3.3	(14.6)	(81.6)%
	Machinery	3.2	2.6	(0.6)	(18.6)%
	Others	1.6	1.7	0.1	6.6%
	Adjustment	1.4	(3.1)	(4.5)	—
	Total	32.8	13.0	(19.9)	(60.5)%

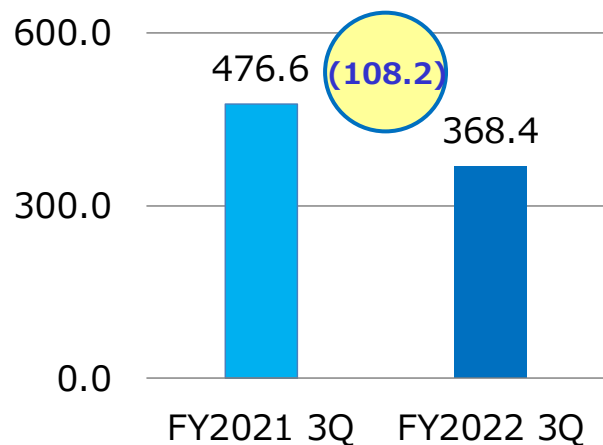
*: In accordance with the integration of the cement-related business into an equity-method affiliate from FY2022, the Company has been reclassified from "Chemicals", "Construction Materials", "Machinery" and "Others" into the four segments of "Specialty Products", "Polymers & Chemicals", "Machinery," and "Others". Pharmaceutical is included in "Others".

Therefore, the results for the 3rd quarter of FY2021 have also been reclassified into new segment categories for comparison, and "Construction Materials" is included in "Adjustment".

Analysis – Total

(Billions of yen)

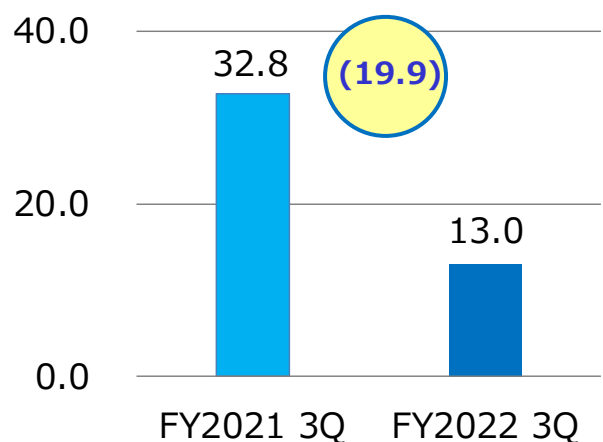
Net Sales



Specialty Products	2.6
Polymers & Chemical	34.8
Machinery	(1.5)
Others	12.9
Adjustment	(157.0)

(22.7)% Decreased

Operating profit



Specialty Products	(0.3)
Polymers & Chemical	(14.6)
Machinery	(0.6)
Others	0.1
Adjustment	(4.5)

(60.5)% Decreased

Qualitative Information

Net sales: Down

- Cement-related: Business split and transferred to an equity-method affiliate
- Polymers & Chemicals: Higher sales prices due to higher raw material market prices

Operating profit: Down

- Specialty Products: Overall sales strong
- Polymers & Chemicals: Higher prices of raw material and fuel, lower sales volumes due to declining demand, and biennial inspection and repairs at ammonia plant

Difference of operating profit

Price ※1	(3.0)
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Volume	(5.6)
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Fixed Cost and Others ※2	(11.3)
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Total	(19.9)
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*1: Including both selling and purchase change

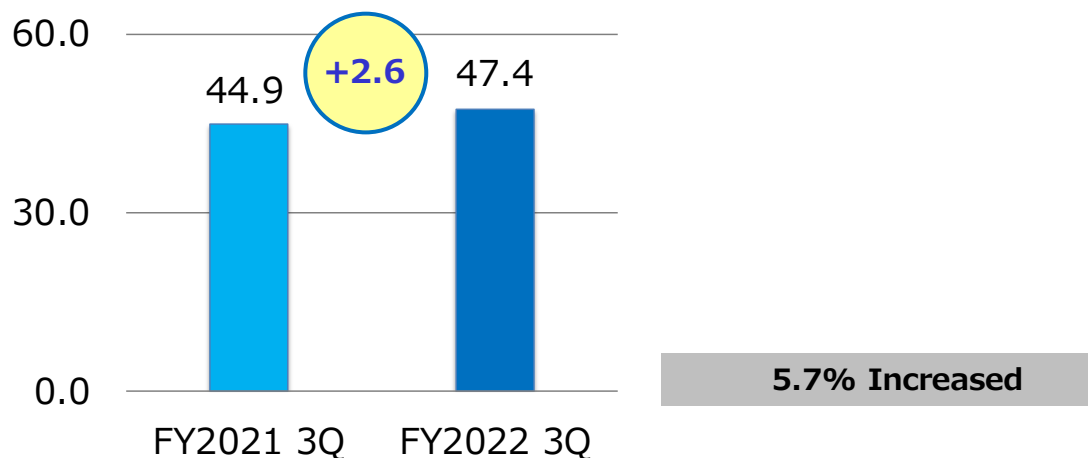
*2: Including inventory valuation changes and lowest cost accounting

Including Impact of the split of the cement-related business

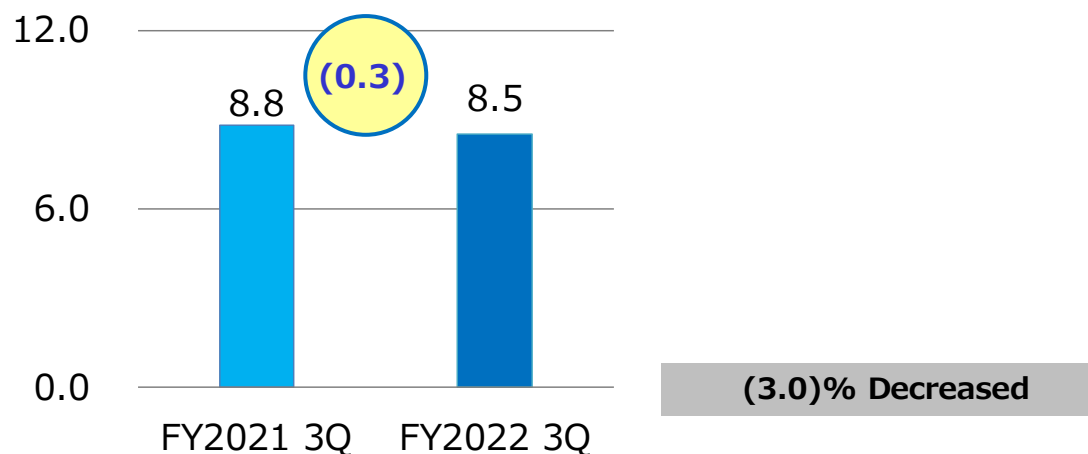
Analysis – Specialty Products

(Billions of yen)

Net Sales



Operating profit



Qualitative Information

Net sales: Up

- Polyimides: Strong sales of varnish for organic EL panels despite the negative impact of inventory adjustments of the COF for displays
- Separation membranes: Strong demand mainly for biogas-related applications
- Ceramics: Strong demand for bearings and substrate applications
- Separators: Decrease in sales due to the negative impact of automobile production cutbacks

Operating profit: Down

- The negative impact of automobile production cutbacks on separators despite strong sales of separation membranes and ceramics

Difference of operating profit

Price ※1 (0.5)

Volume 0.1

Fixed Cost and Others ※2 0.1

Total (0.3)

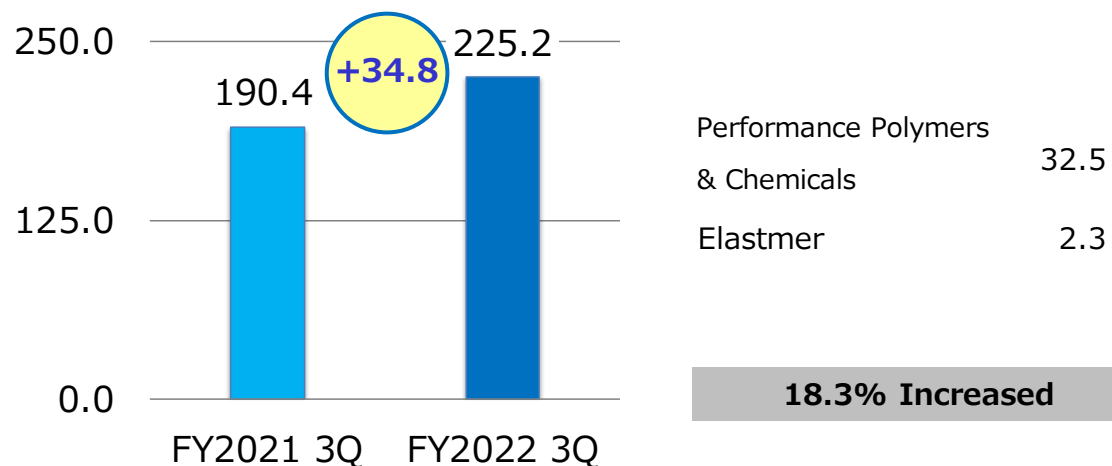
*1: Including both selling and purchase change

*2: Including inventory valuation changes and lowest cost accounting

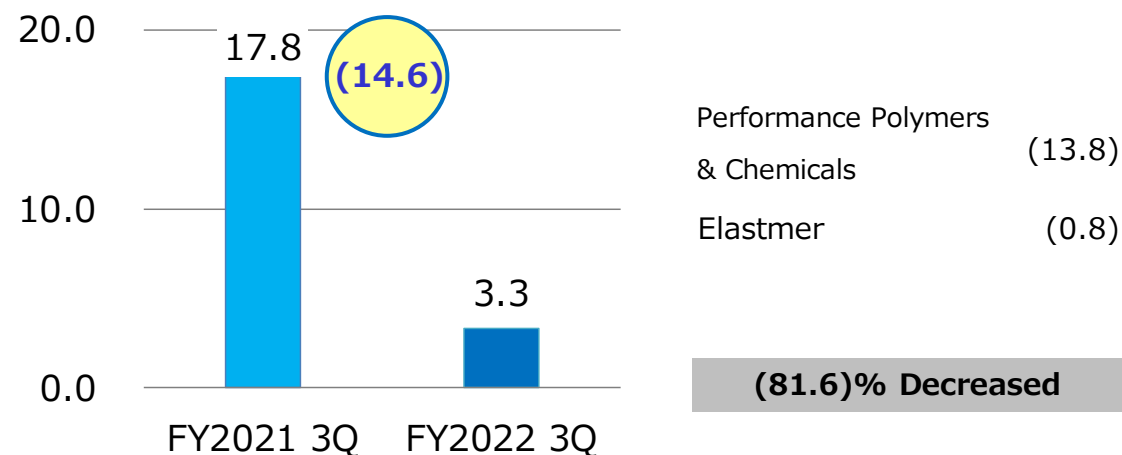
Analysis – Polymers & Chemicals

(Billions of yen)

Net Sales



Operating profit



Qualitative Information

Net sales: Up

- Nylon polymers: Higher sales prices due to higher raw material prices, etc., despite a slowdown in demand for food packaging film and other applications overseas
- Caprolactam & ammonium sulfate: Higher ammonium sulfate prices due to higher raw material market prices
- Elastmer: Higher sales prices due to higher raw material prices, etc.

Operating profit: Down

- Higher prices of raw material and fuel, lower sales volumes due to declining demand, and biennial inspection and repairs at ammonia plant

Difference of operating profit

Price ※1	(3.1)
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Volume	(6.1)
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Fixed Cost and Others ※2	(5.3)
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Total	(14.6)
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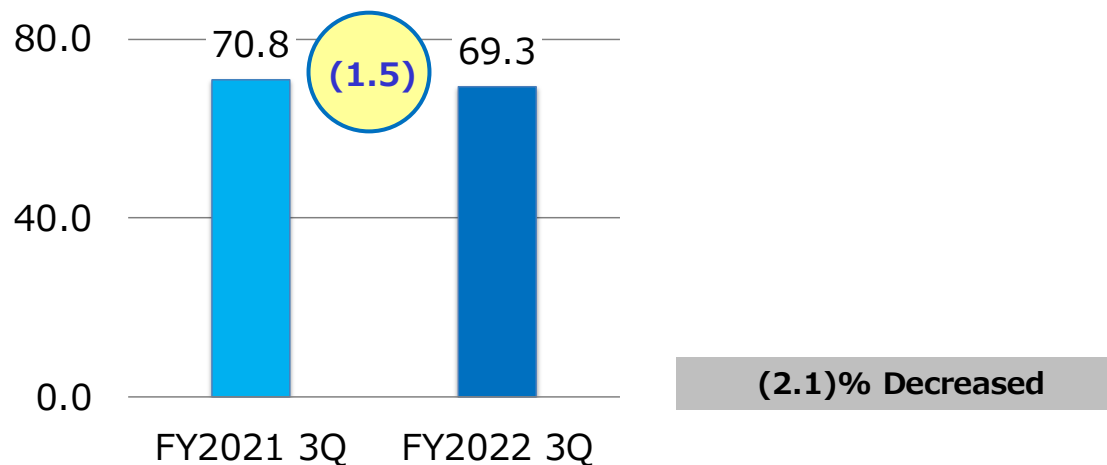
*1: Including both selling and purchase change

*2: Including inventory valuation changes and lowest cost accounting

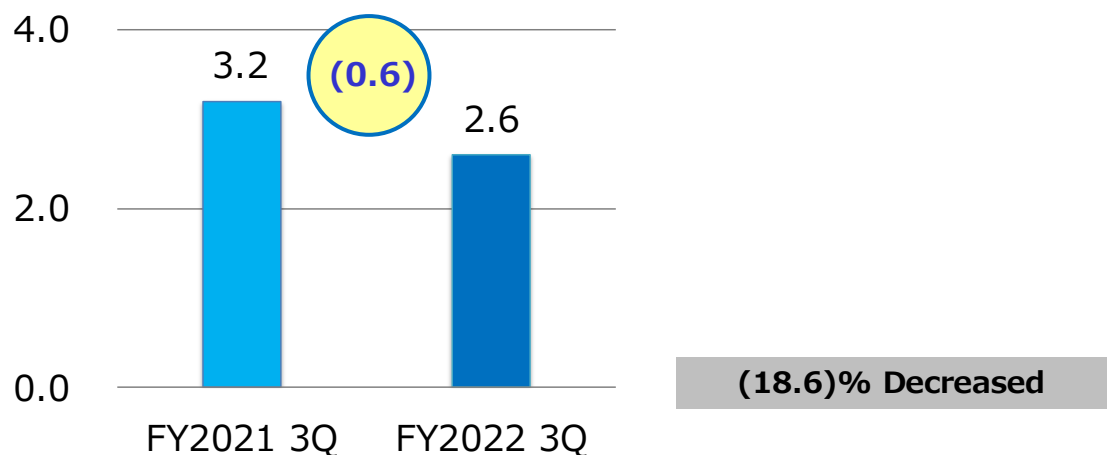
Analysis – Machinery

(Billions of yen)

Net Sales



Operating profit



Qualitative Information

Net sales: Down

- Molding machine: Increased sales volume due to recovery of orders from automotive industry
- Industrial machines: Large projects such as bulk handling machines for electric power companies completed
- Steel products: Higher sales prices due to higher raw material prices, etc.

Operating profit: Down

- Decrease in sales of industrial machines and increase in energy costs for steelmaking

Difference of operating profit

Price ※1	0.1
Volume	(0.3)
Fixed Cost and Others ※2	(0.4)
Total	(0.6)

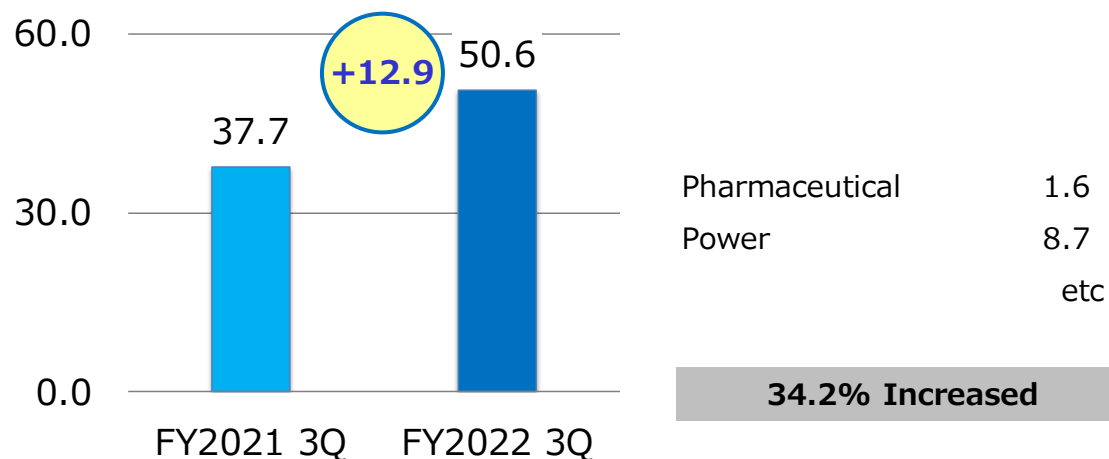
*1: Including both selling and purchase change

*2: Including marginal profit on machinery product 0.0

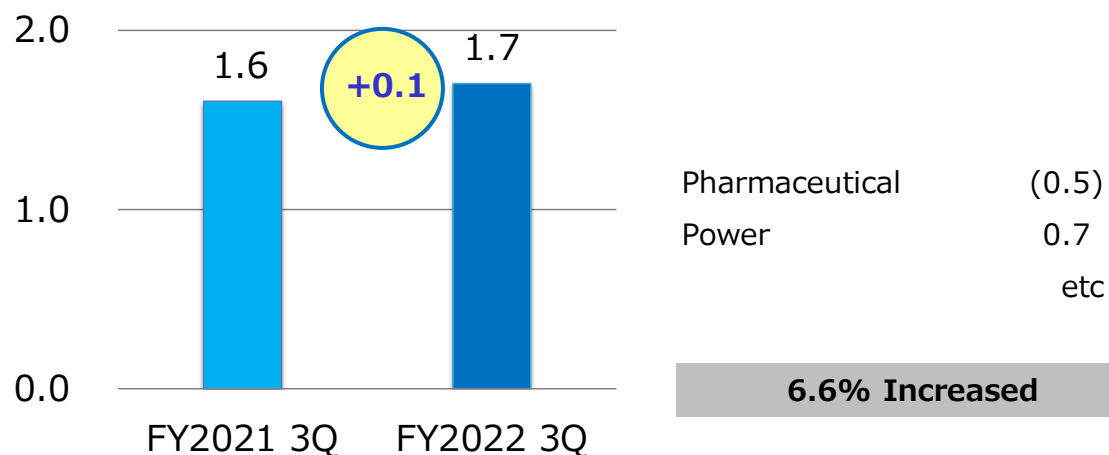
Analysis – Others

(Billions of yen)

Net Sales



Operating profit



Qualitative Information

Net sales: Up

- Pharmaceutical: Strong sales of both drugs developed by UBE and those manufactured under contract
- Power: Sales of electricity supply to cement-related businesses recorded and sales prices increased

Operating profit: Up

- Higher sales prices of electricity

Difference of operating profit

Price ※1	0.5
Volume	0.7
Fixed Cost and Others	(1.0)
Total	0.1

*1: Including both selling and purchase change

*2: Including inventory valuation changes and lowest cost accounting

Operating Profit – Profit attributable to owners of parent

(Billions of yen)

Item	FY2021 3Q (A)	FY2022 3Q (B)	Difference (B) - (A)
Operating profit	32.8	13.0	(19.9)
Non-operating income (expenses)	(2.2)	(16.3)	(14.1)
Net interests expenses	0.2	0.8	0.5
Share of loss of entities accounted for using equity method	(0.8)	(15.1)	(14.3)
Share of loss of entities accounted for using equity method related to Mitsubishi UBE Cement Corporation		(15.8)	
Foreign exchange gains	0.7	0.6	(0.1)
Others	(2.3)	(2.5)	(0.2)
Ordinary profit (loss)	30.6	(3.3)	(33.9)
Extraordinary income (losses)	(2.5)	7.5	10.0
Profit before income taxes	28.1	4.2	(23.9)
Income taxes and profit (loss) attributable to non-controlling interests	(10.0)	(5.4)	4.6
Profit (loss) attributable to owners of parent	18.1	(1.2)	(19.3)
Net income per share	183.34 yen	(11.91) yen	(195.25) yen

Consolidated Balance Sheet

(Billions of yen)

Item	End of FY2021 (A)	End of FY2022 3Q (B)	Difference (B) - (A)
Current assets	394.7	290.5	(104.1)
Fixed assets	443.1	457.4	14.3
Total assets	838.0	748.1	(89.8)
Interest-bearing debt	241.8	222.7	(19.1)
Other liabilities	202.1	135.4	(66.7)
Total liabilities	443.9	358.1	(85.8)
Shareholders' equity *	369.1	366.6	(2.5)
Non-controlling interests and others	24.9	23.4	(1.5)
Total net assets	394.0	390.0	(4.0)
Total liabilities and net assets	838.0	748.1	(89.8)

*: Shareholders' equity = Net assets – Share acquisition rights – Non-controlling interests

Consolidated Statements of Cash Flows

(Billions of yen)

Item	FY2021 3Q	FY2022 3Q	
A.Cash flows from operating activities	16.8	5.1	Profit before income taxes 4.2 Depreciation and amortization 18.9 Share of loss of entities accounted for using equity method 15.1 Gain on Change in Equity (8.3) Increase / Decrease in working capital (12.8) Income taxes paid (8.4) etc.
B.Cash flows from investing activities	(27.6)	(17.6)	Increase / Decrease in short-term loans receivable 8.2 Acquisition of PP&E (17.2) Payments for investments in capital of subsidiaries and associates (2.5) Purchase of shares of subsidiaries resulting in change in scope of consolidation (5.2) etc.
Free cash flows (A+B)	(10.8)	(12.5)	
C.Cash flows from financing activities	(19.6)	8.7	Increase / Decrease in interest-bearing debts 19.3 Dividends paid (10.6) etc.
D.Net increase/decrease in cash and cash equivalents	(30.0)	(46.4)	Decrease in cash and cash equivalents resulting from corporate spin-off (43.3) etc.
E.Cash and cash equivalents at end of the quarter	49.6	32.4	

FY2022 Consolidated Forecasts

Scope of Consolidation

Item	End of FY2021 (A)	End of FY2022 (B)	Difference (B) - (A)	Notes
Number of consolidated subsidiaries	65	37	(28)	<ul style="list-style-type: none"> + API Corporation + UBE Corporation America Inc. - Meiwa Plastic Industries, Ltd. - UBE Advanced Materials INC. - R-Koma, Ltd. - UBE Construction Materials Sales Co., Ltd. - UBE Construction Materials Co., Ltd. - Ube Industries Cement Service Co., Ltd. - Ube Material Industries, Ltd. - Ozawa Corporation - Kanto Ube Concrete Co., Ltd. - Kanto Ready-mixed Concrete Transportation Co., Ltd. - Sanyo Ube Co., Ltd. - Daikyo Kigyo Co., Ltd. - Nishiharima Ube Co., Ltd. - Hagimori Logistics, Ltd. - Fuji Ube Concrete Co., Ltd. - Hokkaido Ube Transportation Co., Ltd. <ul style="list-style-type: none"> + MAPIC Europe NV - Ube Reality & Development Co., Ltd. - Advanced Electrolyte Technologies LLC - Ichinoseki Remicon Co., Ltd. - UBE SHIPPING & LOGISTICS, LTD. - Ube Industries Consulting, Ltd. - Ube Sand Co., Ltd. - Oita Ube Co., Ltd. - Kansai Ube Co., Ltd. - Kanto Ube Holdings Co., Ltd. - Sanshin Tsusho Co., Ltd. - Shinko Transportation & Warehouse Co., Ltd. - Chiba Ube Concrete Co., Ltd. - Hagimori Industries, Ltd. - Hiraizumi Co., Ltd. - Hokkaido Ube Co., Ltd.
Number of equity method affiliates	26	15	(11)	<ul style="list-style-type: none"> - Ube-Mitsubishi Cement Corporation - Kano Ube Concrete Co., Ltd. - KUSHIRO UBE Co., Ltd. - Bekkai Ube Concrete Co., Ltd. - Yamayo Trading Co., Ltd. - Chiba Riverment and Cement Corporation <ul style="list-style-type: none"> - Kitakyushu Ube Concrete Co., Ltd. - Chushikoku Ube Concrete Co., Ltd. - Hokuriku Ube Concrete Co., Ltd. - UBE Singapore Pte., Ltd. - Yamaguchi Eco-tech Corporation
Total	91	52	(39)	

Environmental Factors

Item			FY2021 (A)	FY2022 (B)	Difference (B) - (A)	
Exchange Rate		Yen/\$	112.4	135.0 [130.0]	22.6	
Material Price	Naphtha	CIF	702	790 [680]	88	
		Domestic	56,700	75,400 [63,400]	18,700	
	Benzene (ACP)		\$/ t	990	1,020 [865]	30
	Australian Coal (CIF)		\$/ t	170.3	403.5 [390.0]	233.2
			Yen/t	19,133	54,473 [52,650]	35,340

[] : numbers for the fourth quarter of the period only

Major P/L Items

(Billions of yen)

Item	FY2021 (A)	FY2022 (B)	Difference (B) - (A)	Percentage change
Net sales	655.3	506.0	(149.3)	(22.8)%
Operating profit	44.0	20.0	(24.0)	(54.6)%
Ordinary profit (loss)	41.5	(6.0)	(47.5)	—
Profit (loss) attributable to owners of parent	24.5	(6.0)	(30.5)	—

Item	End of FY2021 (A)	End of FY2022 (B)	Difference (B) - (A)
Total assets	838.0	750.0	(88.0)
Interest-bearing debt	241.8	225.0	(16.8)
Equity capital *1	369.1	360.0	(9.1)
Dividend(Yen /Share)	*2 95.00	*3 95.00	0.00

*1: Equity capital = Net assets - Subscription rights to shares - Non-controlling interests

*2: Dividend: Interim/45yen, Fiscal year-end/50yen

*3: Dividend: Interim/50yen, Fiscal year-end/45yen

Net Sales and Operating profit by Segment

(Billions of yen)

	Segment*	FY2021 (A)	FY2022 (B)	Difference (B) - (A)	Percentage change
Net sales	Specialty Products	60.8	65.0	4.2	6.9%
	Polymers & Chemicals	260.0	301.0	41.0	15.7%
	Machinery	97.0	101.0	4.0	4.1%
	Others	54.2	75.0	20.8	38.3%
	Adjustment	183.2	(36.0)	(219.2)	—
	Total	655.3	506.0	(149.3)	(22.8)%
Operating profit	Specialty Products	11.6	13.0	1.4	11.8%
	Polymers & Chemicals	23.5	4.0	(19.5)	(83.0)%
	Machinery	5.1	4.5	(0.6)	(12.3)%
	Others	3.5	2.5	(1.0)	(29.5)%
	Adjustment	0.2	(4.0)	(4.2)	—
	Total	44.0	20.0	(24.0)	(54.6)%

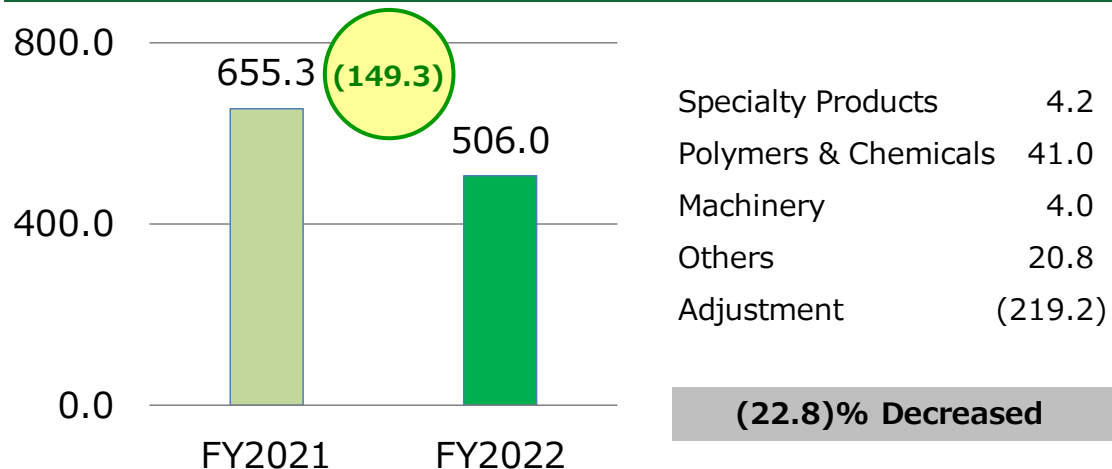
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Therefore, the results for FY2021 have also been reclassified into new segment categories for comparison, and "Construction Materials" is included in "Adjustment".

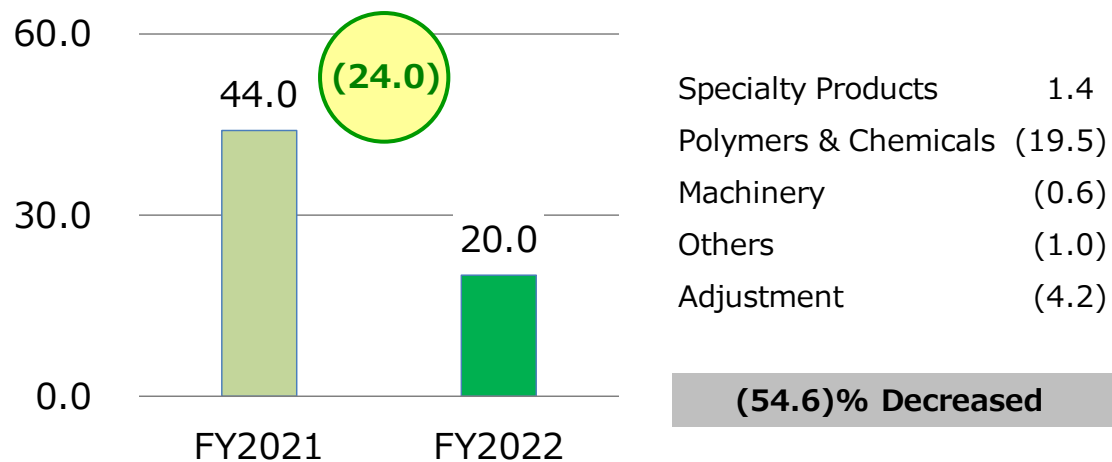
Analysis – Total

(Billions of yen)

Net sales



Operating profit



Revisions from the previous earnings forecasts published on October 28, 2022

Net sales: Downturn [547.0 → 506.0, (41.0)]

- Specialty Products: 69.0 → 65.0, (4.0)
- Polymers & Chemicals: 340.0 → 301.0, (39.0)
- Others: 73.0 → 75.0, +2.0

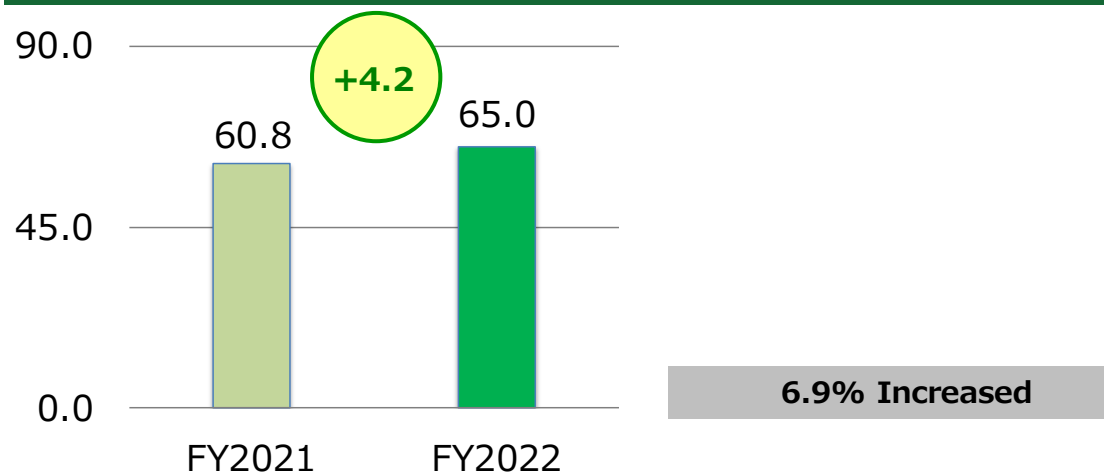
Operating profit: Downturn [29.0 → 20.0, (9.0)]

- Polymers & Chemicals: 12.5 → 4.0, (8.5)
- Others: 3.0 → 2.5, (0.5)

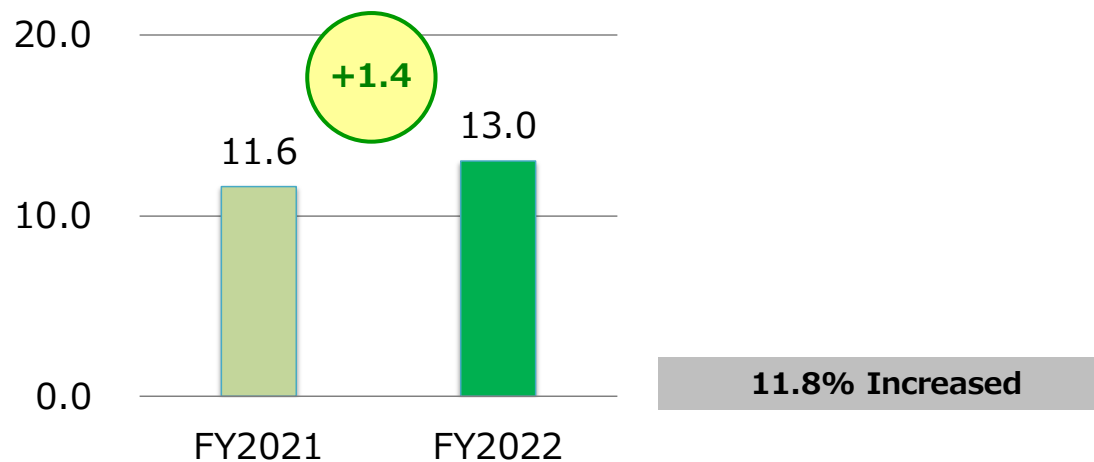
Analysis – Specialty Products

(Billions of yen)

Net sales



Operating profit



Revisions from the previous earnings forecasts published on October 28, 2022

Net sales: Downturn [69.0 → 65.0, (4.0)]

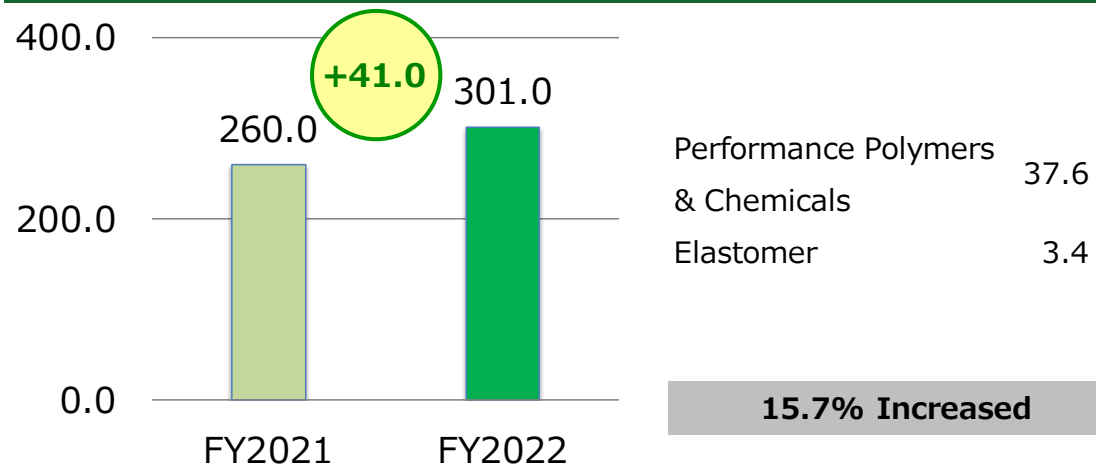
- Lower sales volumes separators and phenol resins
- Strong sales of separation membranes and ceramics

Operating profit: No revision

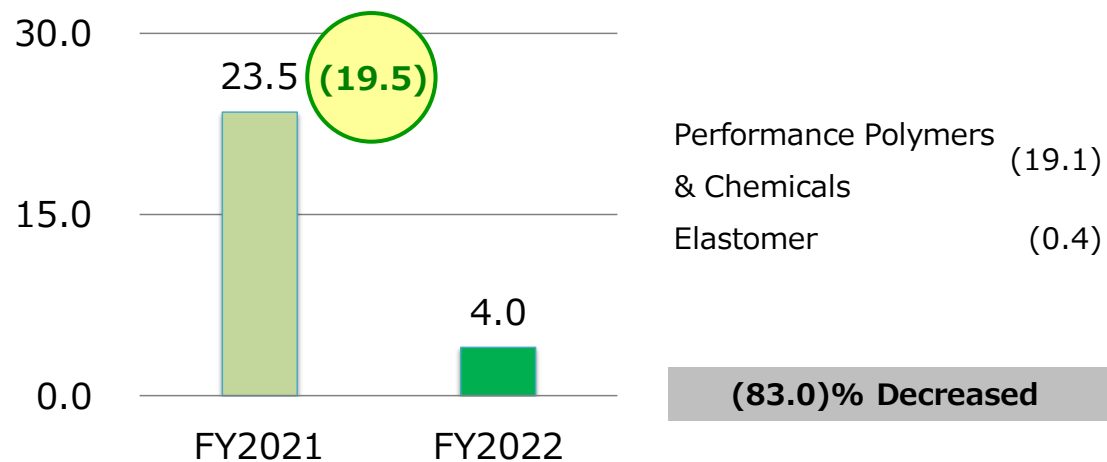
Analysis – Polymers & Chemicals

(Billions of yen)

Net sales



Operating profit



Revisions from the previous earnings forecasts published on October 28, 2022

Net sales: Downturn [340.0 → 301.0, (39.0)]

- Lower sales volumes of nylon polymers, caprolactam and other products

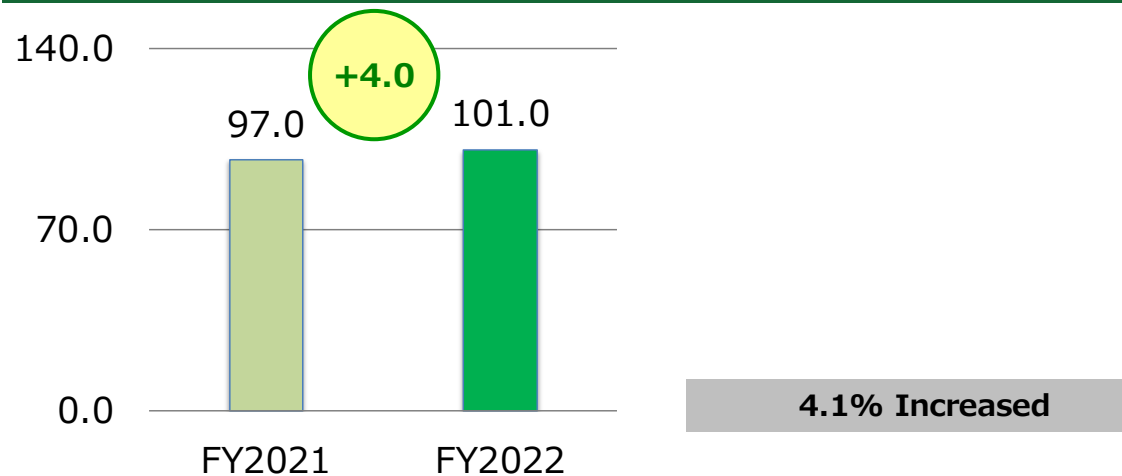
Operating profit: Downturn [12.5 → 4.0, (8.5)]

- Lower sales volumes of nylon polymers, caprolactam and other products, and narrow spread of those price

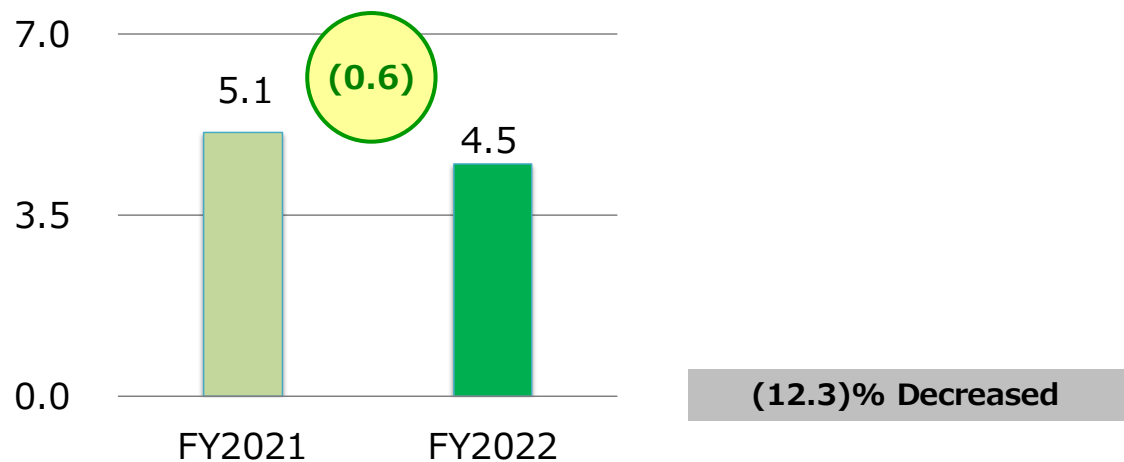
Analysis – Machinery

(Billions of yen)

Net sales



Operating profit



Revisions from the previous earnings forecasts published on October 28, 2022

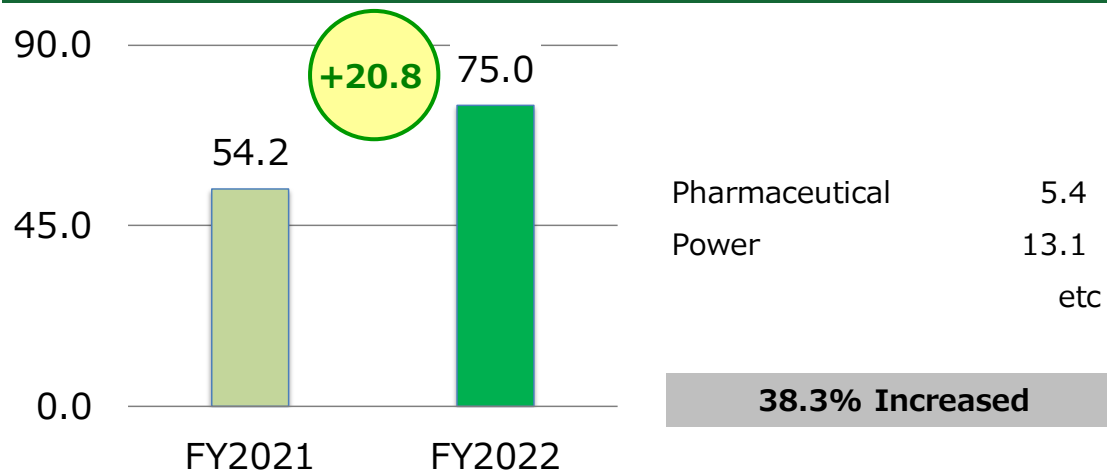
Net sales: No revision

Operating profit: No revision

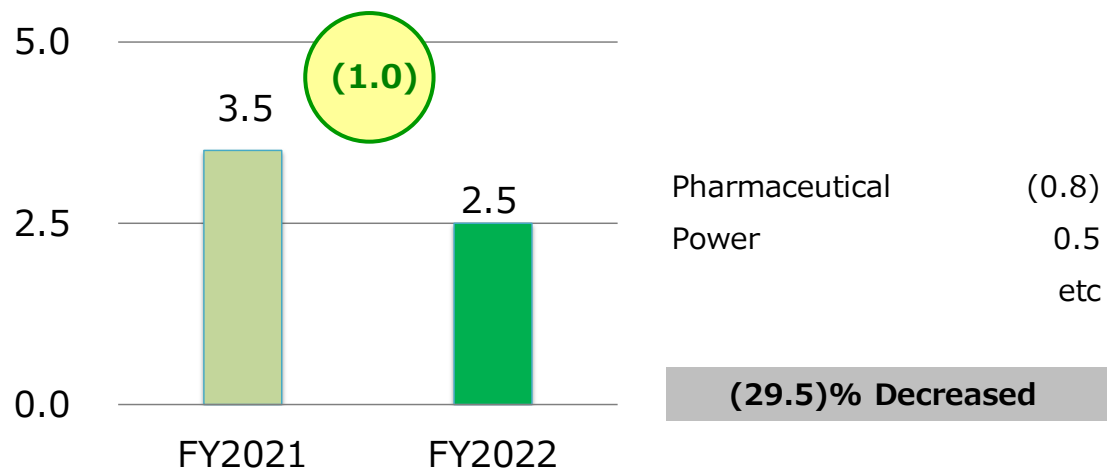
Analysis – Others

(Billions of yen)

Net sales



Operating profit



Revisions from the previous earnings forecasts published on October 28, 2022

Net sales: Upturn (73.0 → 75.0, +2.0)

- Consolidation of API Corporation

Operating profit: Downturn [3.0 → 2.5, (0.5)]

- Others

Operating Profit – Profit attributable to owners of parent

(Billions of yen)

Item	FY2021 (A)	FY2022 (B)	Difference (B) - (A)
Operating profit	44.0	20.0	(24.0)
Non-operating income (expenses)	(2.5)	(26.0)	(23.5)
Share of loss of entities accounted for using equity method related to Mitsubishi UBE Cement Corporation		(26.0)	
Ordinary profit (loss)	41.5	(6.0)	(47.5)
Extraordinary income (losses)	(4.8)	6.0	10.8
Profit before income taxes	36.8	0.0	(36.8)
Income taxes and profit (loss) attributable to non-controlling interests	(12.3)	(6.0)	6.3
Profit (loss) attributable to owners of parent	24.5	(6.0)	(30.5)
Net income per share	249.31 yen	(61.88) yen	(311.19) yen

Reference

Difference of Net sales

(Billions of yen)

Segment	Previous forecasts 2022/10/28 (A)	Revised forecasts 2023/2/3 (B)	Difference (B) - (A)	Major factors
Specialty Products	69.0	65.0	(4.0)	
Polymers & Chemicals	340.0	301.0	(39.0)	Performance Polymers & Chemicals (38.0) Elastomer (1.0)
Machinery	101.0	101.0	—	
Others	73.0	75.0	2.0	Pharmaceutical 5.0 etc.
Adjustment	(36.0)	(36.0)	—	
Total	547.0	506.0	(41.0)	

Difference of Operating profit

(Billions of yen)

Segment	Previous forecasts 2022/10/28 (A)	Revised forecasts 2023/2/3 (B)	Difference (B) - (A)	Major factors
Specialty Products	13.0	13.0	–	
Polymers & Chemicals	12.5	4.0	(8.5)	Performance Polymers & Chemicals (9.5) Elastomer 1.0
Machinery	4.5	4.5	–	
Others	3.0	2.5	(0.5)	
Adjustment	(4.0)	(4.0)	–	
Total	29.0	20.0	(9.0)	

Analysis of Operating profit by Segment

(Billions of yen)

Segment	Operating profit					
	FY2021 3Q (A)	FY2022 3Q (B)	Difference (B) - (A)	Price *1	Volume	Fixed cost and others *2
Specialty Products	8.8	8.5	(0.3)	(0.5)	0.1	0.1
Polymers & Chemicals	17.8	3.3	(14.6)	(3.1)	(6.1)	(5.3)
Machinery	3.2	2.6	(0.6)	0.1	(0.3)	*3 (0.4)
Others	1.6	1.7	0.1	0.5	0.7	(1.0)
Adjustment	1.4	(3.1)	(4.5)	-	-	(4.5)
Total	32.8	13.0	(19.9)	(3.0)	(5.6)	(11.3)

*1:Including both selling and purchase change *2:Including inventory valuation changes and lowest cost accounting

*3:Including marginal profit on machinery product 0.0

Progress of Major P/L Items

(Billions of yen)

Item	FY2021 Results (A)		FY2022 Forecasts (B)		Difference (B) - (A)	
		3Q Progress		3Q Progress		3Q
Net sales	655.3	476.6 72.7%	506.0	368.4 72.8%	(149.3)	(108.2)
Operating profit	44.0	32.8 74.6%	20.0	13.0 64.9%	(24.0)	(19.9)
Ordinary profit (loss)	41.5	30.6 73.7%	(6.0)	(3.3) (-%)	(47.5)	(33.9)
Profit (loss) attributable to owners of parent	24.5	18.1 73.9%	(6.0)	(1.2) (-%)	(30.5)	(19.3)

Net Sales

(Billions of yen)

Segment	FY2022					Full-year (forecast)	Progress
	1Q	2Q	3Q	4Q	Total		
Specialty Products	15.3	16.5	15.6	–	47.4	65.0	72.9%
Polymers & Chemicals	71.4	78.0	75.7	–	225.2	301.0	74.8%
Machinery	20.3	24.9	24.0	–	69.3	101.0	68.6%
Others	15.6	17.8	17.3	–	50.6	75.0	67.5%
Adjustment	(6.5)	(8.6)	(9.1)	–	(24.1)	(36.0)	– %
Total	116.2	128.6	123.6	–	368.4	506.0	72.8%

Operating Profit

(Billions of yen)

Segment	FY2022					Full-year (forecast)	Progress
	1Q	2Q	3Q	4Q	Total		
Specialty Products	2.8	2.7	3.0	–	8.5	13.0	65.5%
Polymers & Chemicals	1.9	0.5	0.9	–	3.3	4.0	82.0%
Machinery	0.4	0.9	1.4	–	2.6	4.5	58.0%
Others	0.7	0.6	0.5	–	1.7	2.5	68.6%
Adjustment	(1.4)	(0.5)	(1.3)	–	(3.1)	(4.0)	– %
Total	4.4	4.2	4.5	–	13.0	20.0	64.9%

3Q on 2Q – Net Sales

(Billions of yen)

Segment	FY2022 2Q (A)	FY2022 3Q (B)	Difference (B) - (A)	Major factors
Specialty Products	16.5	15.6	(0.8)	
Polymers & Chemicals	78.0	75.7	(2.3)	Performance Polymers & Chemicals (2.8) Elastmer 0.5
Machinery	24.9	24.0	(0.9)	
Others	17.8	17.3	(0.5)	Pharmaceutical 0.6 Power (0.1) etc.
Adjustment	(8.6)	(9.1)	(0.4)	
Total	128.6	123.6	(5.0)	

3Q on 2Q – Operating Profit

(Billions of yen)

Segment	FY2022 2Q (A)	FY2022 3Q (B)	Difference (B) - (A)	Major factors
Specialty Products	2.7	3.0	0.3	
Polymers & Chemicals	0.5	0.9	0.4	Elastmer 0.3 etc.
Machinery	0.9	1.4	0.5	
Others	0.6	0.5	(0.1)	
Adjustment	(0.5)	(1.3)	(0.8)	
Total	4.2	4.5	0.3	

Net Sales and Operating Profit by Business Portfolio

(Billions of yen)

	Business portfolio	FY2022	FY2022 full-year	Progress
		3Q (A)	(forecast) (B)	
Net sales	Specialty business	100.6	145.0	69.4%
	Basic business	182.5	240.0	76.0%
	Machinery business	69.3	101.0	68.6%
	Other businesses (incl. adjustment)	16.0	20.0	79.8%
	Total	368.4	506.0	72.8%
Operating profit (loss)	Specialty business	14.9	21.5	69.4%
	Basic business	(1.9)	(2.5)	—
	Machinery business	2.6	4.5	58.0%
	Other businesses (incl. adjustment)	(2.7)	(3.5)	—
	Total	13.0	20.0	64.9%

Mitsubishi UBE Cement

(Billions of yen)

■ Major P/L Items

Mitsubishi UBE Cement Corporation and Consolidated Subsidiaries

Item	FY2022 3Q Result	FY2022 Full-year Forecast
Net Sales	449.6	592.0 [657.5]
Operating profit (loss)	(24.2)	(28.0) [(23.5)]
Ordinary profit (loss)	(22.4)	(26.0) [(22.5)]
Profit (loss) attributable to owners of parent	(33.3)	(53.0) [(49.5)]

[]: forecast released November 4, 2022

■ Share of loss of entities accounted for using equity method in UBE's Consolidated Statements of Income

Share of loss of entities accounted for using equity method	(15.8)	(26.0)
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- Although the acquisition of an additional cement price hike (+3,000 yen) has been delayed due to protracted negotiations for the initial price hike (+2,200 yen) that was completed, negotiations are underway for early acquisition of the additional price hike due to the sharp rise in heat energy costs.
- Promoted profit improvement through expansion of waste utilization, energy-saving measures, etc.
- In the U.S. cement and ready-mixed concrete business, sales volume exceeded the previous year's level, and the company passed on higher energy and raw material costs to customers.

■ Environmental Factors

Item	FY2022 3Q Result	FY2022 Full-year Forecast
Total demand for cement in Japan (million tons)	28.59	38.00
Cement sales volumes in Japan (million tons)	7.01	9.18
Cement sales volumes in the U.S. (million tons)	1.31	1.71
Ready-mixed concrete sales volumes in the U.S. (million cy)	5.48	7.06
Coal Price (\$/t)	392	393
Exchange Rate (Yen/\$)	137	134

(Reference) Consolidated Balance Sheet as of December 31, 2022

Total assets	787.6	Interest-bearing debt	208.0	Shareholder's equity	336.0
Shareholder's equity ratio	42.7%	D/E ratio	0.62 times		

Consolidated Key Indicators

(Billions of yen)

Item	FY2021 3Q	FY2022 3Q	FY2022 full-year (forecast)	FY2021 full-year
Capital investment	23.6	19.3	39.0	39.6
Depreciation and amortization	27.1	18.9	24.0	36.5
Research and development expenses	8.5	7.6	11.0	11.8
Adjusted operating profit (loss)	32.9	(0.8)	(2.5)	43.3
Interest-bearing debt	215.8	222.7	225.0	241.8
Shareholders' equity	356.6	366.6	360.0	369.1
Total assets	794.1	748.1	750.0	838.0
D/E ratio (times)	0.61	0.61	0.63	0.66
Shareholders' equity ratio (%)	44.9	49.0	48.0	44.1
Return on sales - ROS (%)	6.9	3.5	4.0	6.7
Return on assets - ROA (%)	–	–	–	5.4
Return on equity – ROE (%)	–	–	–	6.7
Number of employees	10,942	8,109	8,100	9,849

Consolidated Major Subsidiaries

(Billions of yen)

Subsidiaries	Business	Net Sales FY2022 3Q	Difference of operating profit from FY2021 3Q
UBE Corporation Europe, S.A. Unipersonal	Manufacture and sales of nylon, caprolactam, ammonium sulfate and fine chemical products	56.6	↓
UBE Chemicals (Asia) Public Company Limited	Manufacture and sales of nylon, caprolactam and ammonium sulfate	40.0	↓
THAI SYNTHETIC RUBBERS COMPANY LIMITED	Manufacture and sales of polybutadiene rubber	13.7	→
Ube Film, Ltd.	Manufacture and sales of plastic film products	8.1	↓
UBE EXSYMO CO., LTD.	Manufacture and sales of polypropylene molded products, fibers, fiber-reinforced plastics and electronic and information materials	9.6	↓
UBE Machinery Corporation, Ltd.	Manufacture, sales, and service of molding machines, industrial machinery and bridge, etc.	34.5	→
UBE Steel Co., Ltd	Manufacture and sales of cast iron and steel products and rolled steel billets	24.5	↓

Note: ↑ ↓ represents increase or decrease of over 0.1 billion JPY

Announcement of FY2022 Business Results and FY2023 Management Overview Briefing

- **Announcement of FY2022 Business Results**
 - **May 12, 2023 15:00**

- **Telephone Conference for FY2022 Business Results**
 - **May 12, 2023 18:00 – 19:00**

- **FY2023 Management Overview Briefing**
 - **May 23, 2023 10:00 – 11:30**

(Note) This schedule is subject to change without notice due to circumstances

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